



## DEPARTMENT OF COMMERCE

### Foreign-Trade Zones Board

[B-54-2012]

Foreign-Trade Zone 143 – West Sacramento, California  
Application for Extended Production Authority  
Subzone 143D, Grafil Inc.  
(Carbon Fiber Production)  
Sacramento, California

An application has been submitted to the Foreign-Trade Zones Board (the Board) by Grafil Inc. (Grafil), operator of Subzone 143D, requesting to extend production authority at its facilities located in Sacramento, California. The application conforming to the requirements of the regulations of the Board (15 CFR 400.23) was docketed on July 26, 2012.

Subzone 143D was approved by the Board in 2009 at two Grafil facilities located in Sacramento, California (Board Order 1620, 74 FR 24798, 5/26/2009). Activity at the facilities (110 employees) includes the production, warehousing and distribution of carbon fiber using polyacrylonitrile (PAN) precursor.

Grafil's subzone and production authority were approved for a period of five years, until May 7, 2014 (Board Order 1620, May 7, 2009; 74 FR 24798, 5/26/2009). The current application is requesting to extend the FTZ production authority indefinitely. Grafil sources PAN precursor (duty rates, 7.5% or 8%) from abroad (representing 35% of the value of the finished product).

Production under FTZ procedures could exempt Grafil from customs duty payments on the foreign PAN precursor used in export production. The company anticipates that some 45 percent of the plant's shipments will be exported. On its domestic sales, Grafil would be able to choose the duty rate during customs entry procedures that apply to carbon fiber (duty free) for

the foreign PAN precursor. Customs duties also could possibly be deferred or reduced on foreign status production equipment. The request indicates that the savings from FTZ procedures would help improve the plant's international competitiveness.

In accordance with the Board's regulations, Diane Finver of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case record and to report findings and recommendations to the Board.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is ***[insert date 60 days from date of publication]***. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to ***[insert date 75 days from date of publication]***.

A copy of the application will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 2111, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Diane Finver at [Diane.Finver@trade.gov](mailto:Diane.Finver@trade.gov) or (202) 482-1367.

Dated: July 26, 2012

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Andrew McGilvray  
Executive Secretary